

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7068

BILL NUMBER: HB 1208

DATE PREPARED: Jan 5, 2002

BILL AMENDED:

SUBJECT: Volunteer firefighters and fire departments.

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**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State & Local

Summary of Legislation: This bill provides that a volunteer fire department is not subject to examination by the State Board of Accounts after disbursements from appropriations, public funds, taxes, and other sources of public expense. It grants immunity from civil liability to certain persons who donate fire control or fire rescue equipment to a fire department of a political subdivision or to a volunteer fire department. The bill amends the conditions and manner under which a blue light may be displayed on a vehicle by a member of a volunteer fire department. It prohibits an insurer that issues a personal motor vehicle policy from: (1) including an exclusion in the policy; or (2) interpreting an exclusionary provision of the policy to exclude coverage for a motor vehicle used by a volunteer firefighter to travel to an emergency or to a fire station. The bill also makes conforming amendments.

Effective Date: Upon passage; July 1, 2002.

Explanation of State Expenditures: *State Board of Accounts Audits:* The State Board of Accounts, "SBOA", does not currently audit volunteer fire departments. The departments are required to have private firms perform the audits using SBOA standards. The provision would have no state fiscal impact.

Blue Light Display: This bill broadens the circumstances when a member of a volunteer fire department may display blue lights on the member's privately owned vehicle, a violation of which is a Class C infraction. If fewer court cases occur, revenue to the state General Fund may decrease if fewer infraction judgments and court fees are collected. The maximum judgment for a Class C infraction is \$500 which is deposited in the state General Fund. If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed. 70% of the court fee would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court

Explanation of State Revenues:

Explanation of Local Expenditures: *State Board of Accounts Audits:* The SBOA requires the volunteer fire department have a private audit perform using SBOA standards. The elimination of the audit requirement would be a saving to the volunteer fire department. There are about 750 volunteer fire departments in the state. The audits are required if the volunteer fire department receives \$100,000 or more in state or local funding. The cost of an audit by a private firm is about \$2,000 and approximately 100 volunteer fire departments have the audit conducted annually.

Donated Equipment: The granting of immunity from civil liability to certain persons who donate fire control or fire rescue equipment could increase the amount of donated equipment. The amount of the impact is unknown.

Volunteer Firefighter Motor Vehicle Insurance: The provision would have no fiscal impact since the insurance is paid by the individual volunteer firefighter.

Explanation of Local Revenues: *Blue Light Display:* If fewer court actions are filed, local governments would receive less revenue from court fees. Court fees for a Class C infraction are \$70.

State Agencies Affected: State Board of Accounts.

Local Agencies Affected: Volunteer Fire Departments, Trial Courts, and Local Law Enforcement Agencies.

Information Sources: Mike Bosynski, State Board of Accounts 232-2525